

**Division of Air and Water Quality**  
**Air Quality Maintenance Section**  
410 Willoughby Avenue, Suite 105  
Juneau, Alaska 99801

Phone: (907) 465-5100  
Fax: (907) 465-5128

January 21, 1998

Mr. Ken Turnage  
VECO Corporation  
PO Box 1140  
Kenai, Alaska 99611

Re: Notification of final decision to approve Owner Requested Limit ORL000165  
VECO Operations, Inc. Marathon Kenai Gas Field Pad 41-18

Dear Mr. Turnage:

The Department received your application on November 20, and supplemental information on November 26, 1997 seeking an owner requested limit for the VECO Operations Kenai Gas Field facility. Based on the supplied information and your notarized certification, and a finding that your request met the requirements 18 AAC 50.225(b), the Department made a preliminary decision to approve your request for an owner requested limit. The Department conducted a 30 day public comment period from December 17, 1997 to January 17, 1998 to solicit comments and testimony on the proposed limit. Your comment letter, which revised the source inventory but not the operational limits, was recieved on January 8, 1998, and the changes were incorporated into the final ORL. Your letter was the only comment recieved.

Enclosed is the final approval of your Owner Requested Limit. After you have provided your notarized signature accepting the conditions on Page 1 of the ORL, return that page (only) for Department concurrence. The limit will take effect one day after we receive the letter with your notarized signature. We will then mail back the final Page 1.

You are also reminded that although this limit applies only for the purpose of determining the facility's potential emissions specific to fuel use at the facility, fuel use in the internal combustion engines, and fuel loading at the facility. You are not relieved of compliance with applicable emission standards for fuel burning equipment or general prohibitions that apply to your facility. This includes the opacity, particulate matter, and sulfur dioxide standards in 18 AAC 50.055(a-c), and the prohibitions of 18 AAC 50.045, 18 AAC 50.065 (open burning) and 18 AAC 50.110. However, there are no explicit terms in this limit requiring monitoring, recordkeeping and reporting for these standards and prohibitions.

Please note that there are 7 conditions of the approved limit. Condition 1 allows unlimited operation of the turbine and two 40 hp boilers. Condition 2 limits fuel consumption in several of the sources at the facility. Condition 3 limits fuel sulfur content of the liquid fuel. These conditions are needed to assure that the potential emissions of NO<sub>x</sub>, CO, and SO<sub>2</sub> do not exceed 100 tons per year.

This is a final permit action for purposes of review under AS 46.14.200. A person who has a private, substantive, legally protected interest under state law that may be adversely affected by the permit action, the owner and operator, or a person who participated in the public comment process may request an adjudicatory hearing under 18 AAC 15.200-910. The request should be mailed to the Commissioner, Alaska Department of Environmental Conservation, 410 Willoughby Avenue, Suite 105, Juneau, Alaska 99801-1795, by certified mail, return receipt requested. A copy of the request shall also be sent to the undersigned. The right to administrative review will be waived if no request for an adjudicatory hearing is served within 30 days of the date of this letter. Any hearing granted will be limited to issues related to the issuance of this Owner Requested Limit approval. If an adjudicatory hearing is thereafter granted, all ORL conditions remain in full force and effect.

Should you have questions regarding this action or other related matters, please contact Alfred Bohn at (907) 269-7584.

Sincerely,

John M. Stone, P.E.  
Chief, Air Quality Maintenance Section

G:\AWQ\AWQ-PE~1\AIRFACS\OWNERR~1\ORL165\_F.WPD

cc: (File Copy), AQM/Anchorage  
(File Copy), AQM/Juneau  
(File Copy), AQM/Fairbanks  
Bill Hedgebeth, USEPA Region X  
John Pavitt, USEPA Alaska  
Mike Schwemley, VECO Operations, Inc. PO Box 1140 Kenai AK 99611

**State of Alaska - Air Quality Maintenance Section  
Owner Requested Limit**

**FACILITY IDENTIFICATION**

**No. ORL 000165**

Owner/Operator: VECO Operations, Inc.  
Facility Name: VECO Marathon Kenai Gas Field Pad 41-18  
Facility Address: P.O. Box 1140 Mile 15.5 Spur Highway  
City, State, Zip: Kenai, Alaska 99611

Latitude/Longitude: 60° 30' 50.6" North, 151° 16' 37.5" West

Facility Contact: Mr. Larry Druesedow  
Phone Number: (907) 283-2402

The above named owner/operator has submitted a complete application for an owner requested limit under 18 AAC 50.225(b) for the VECO Operations facility. The Department grants an owner-requested limit to restrict the potential to emit of the facility such that an operating permit is not needed due to being classified under 18 AAC 50.325(b)(1). The Department certifies that the owner requested limit is effective as of the date noted below.

In accordance with 18 AAC 50.225(f), the applicant has agreed to the conditions listed on the following pages.

The owner or operator may revise this limit under 18 AAC 50.225(h) by submitting a new request under 18 AAC 50.225(b). This limit remains in effect until the revision is approved. The owner or operator may terminate this limit according to the procedures of 18 AAC 50.225(h).

I understand and agree to the terms and conditions of this approval.

\_\_\_\_\_  
Owner or Operator

\_\_\_\_\_  
Printed Name

Title: \_\_\_\_\_

This certifies that on \_\_\_\_\_, the person named above appeared before me, a notary public in \_\_\_\_\_ and for the State of \_\_\_\_\_, and signed the above statement in my presence.

Notary Signature & Seal \_\_\_\_\_  
My commission expires \_\_\_\_\_

Department approval:

Air Quality Maintenance Issuing Officer

Limit Effective Date

## CONDITIONS

1. The owner/operator may operate the sources listed in Table 1 without restriction to fuel consumption or hours of operation.
2. The owner/operator shall limit fuel consumption in the sources listed in Table 2 to no more than a cumulative total of 140,000 gallons of diesel fuel in any 12 month period.
3. The owner/operator shall ensure that fuel sulfur content of the liquid fuel burned at the facility does not exceed 0.50% by weight.
4. The owner/operator shall conduct monitoring related to the conditions established in this limit, in accordance with the following:
  - (A) For condition 2, measure and record the quantity of diesel fuel and natural gas combusted in the sources listed in Table 2, monthly;
  - (B) For condition 3, obtain the percent sulfur by weight, as determined by ASTM approved test methods, for each fuel shipment that is used in sources at the facility. If the grade of fuel requires 0.50% sulfur by weight or less, the owner/operator shall obtain a record from the shipper that specifies the grade of fuel.
5. The owner/operator shall retain records of all required monitoring data and support information for a period of at least five (5) years from the date of collection. Support information includes fuel delivery or fuel use records, calibrations for fuel monitoring instrumentation, and copies of reports and certifications required by this approval. In addition, the owner/operator shall keep specific records as follows:
  - (A) Keep records of the quantity of diesel fuel burned in the sources listed in Table 2, by month;
  - (B) Keep copies of fuel delivery records that specifies the grade of fuel used in sources at the facility; and
  - (C) Keep copies of reports and certifications required by this approval.

6. The owner/operator shall submit three copies of an annual compliance report to the Alaska Department of Environmental Conservation, Air Quality Maintenance Section, 410 Willoughby Ave, Juneau, Alaska 99801-1795. The report is due by **August 1** for information from the period July 1 through June 30. The reports are to contain:
  - (A) The name of the owner/operator, the facility name, ORL number and the period of the report;
  - (B) a listing of the diesel fuel consumed in the sources listed in Table 2 for the past 12 months, by month;
  - (C) a listing of the sulfur content, fuel sulfur testing results, or the fuel grade of each fuel shipment used in sources at the facility;
  - (D) The reports must clearly identify any deviation from the limit requirements; and
  - (E) A certification of report information, signed by the Responsible Official defined in 18 AAC 50.990(77), using the format of 18 AAC 50.205.
7. The owner/operator shall certify compliance annually by August 1 of each year for the period from July 1 to June 30 of the previous year in accordance with the format specified in 18 AAC 50.205. The owner/operator shall submit two copies and the original of the annual certification of compliance to the Alaska Department of Environmental Conservation, Air Quality Maintenance Section, 410 Willoughby Ave., Juneau, Alaska, 99801-1795, and send one copy to EPA, 1200 6th Ave. mailstop OAQ-107, Seattle, WA 98101.

**Statement of Avoided Requirement :**

The potential to emit of the sources listed in Tables 1 and 2 for any one regulated air contaminant is reduced to less than 100 tons per year by limiting the fuel consumed in the sources, and limiting the sulfur content of the fuel to no greater than 0.50% by weight. In accordance with 18 AAC 50.210, the capacity of the facility to emit an air contaminant is verifiable through the monitoring, recordkeeping, and reporting contained in this approval. By limiting the potential to emit of the sources listed in Table 2, the owner/operator is avoiding the requirement to obtain an operating permit for a facility that is classified under AS 46.14.130(b) and 18 AAC 50.325(b)(1).

**Table 1**  
**Unrestricted Equipment Inventory**

<u>Unit ID</u>	<u>Description</u>	<u>Rated Capacity</u>
42532	Turbine Generator	900 kW
69797-70	Boiler	50 hp
6603	Boiler	50 hp

**Table 2**  
**Equipment Inventory Subject to Fuel Limit**

<u>Unit ID</u>	<u>Description</u>	<u>Rated Capacity</u>
99196	Triplex Pump	560 hp
174907931	Diesel Generator	225 hp
E325303332	Deslimer	41 hp
505483	Air Compressor	270 hp
A-1054071	Welder	40 hp
6034966	Trash Pump	23 hp
6034968	Trash Pump	23 hp
22332	Light Plant	16 hp
340261	Space Heater	500,000 Btu/hr
339147	Space Heater	500,000 Btu/hr
338069	Space Heater	500,000 Btu/hr